

WORKING TOWARD LONG-TERM SUCCESS
ADAPTING TO THE SHORT-TERM CHALLENGES

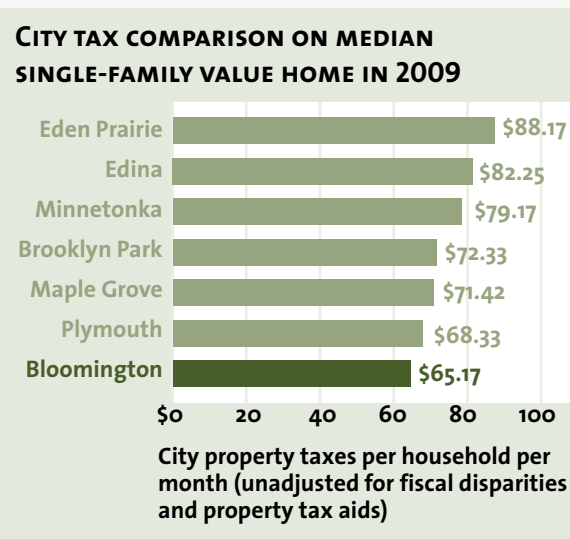
By Mayor Gene Winstead

As noted in the December *Briefing*, the City’s long-term vision is to make Bloomington a more sustainable, safe, attractive and competitive place for people and businesses. We do this by providing quality services at reasonable, competitive costs and by supporting the long term property investments of residents and businesses through City reinvestment and renewal.

Until the 1950s, development in Bloomington was relatively inexpensive. Homes were built with their own on-site wells and septic systems; they were also located on temporary streets. This model, while saving initial development costs, proved not to be the best approach. By the late 1950s, the majority of Bloomington wells were polluted by the septic systems. As a result, the City Council undertook the costly, but necessary, construction of a citywide sewer and water system. This not only made for safe drinking water in homes, but allowed for significant commercial-industrial development that was not possible with on-site utilities.

Today, 50 percent of Bloomington’s property tax base is commercial and industrial property – including nearly 8,000 hotel rooms. Our hotel guest population on any given night exceeds the populations of 87 percent of the communities in Minnesota and generates \$5 million in lodging taxes for the General Fund, which results in lower property taxes for residents and businesses. This is despite the fact that the metro area’s fiscal disparities take away a net 30 percent of Bloomington’s commercial-industrial tax base for distribution metro-wide.

In the 1950s and 60s, the City issued bonded debt to make the necessary water and sewer improvements. The high debt to value ratio created a bond rating of BBB in the early 1970s. Over the next two decades, prudent financial management helped the City improve to an AA rating. To further increase its rating during the 1990s, the City began modeling the economic cycles traditionally found in market economies; Bloomington also developed strategies to deal with economic downturns.



The City now creates a five-year General Fund financial model and 10- to 15-year models for other funds. While we cannot predict the future, modeling allows us to see which longer-term reinvestments and renewal are needed and what level and manner of services to provide over the long term. Modeling also allows us to react in the shorter term and make the necessary changes to deal with economic cycles.

These strategies are used not only during downturns, but during good times as well. The City continually looks for ways to adapt services and increase its productivity to meet evolving needs and staffs services only at levels that can be sustained during normal downturns. A financially strong organization can take advantage of lower costs found during downturns for such things as the Pavement Management Program, enabling the City to save money in the long term and position itself well when the upturn comes.

All this work has paid off. In 1998, the City gained an Aaa rating from Moody’s and, subsequently, from Standard and Poor’s and Fitch. Bloomington is one of only 24 communities nationwide to have a triple



A rating. What does this mean to you? The excellent ratings lower our costs to borrow for improvements such as street construction and redevelopment, which in turn lowers Bloomington’s property taxes.

In Minnesota, property value is used to calculate your proportional share of the total property tax levy. *For property tax information, see page 3.* In a 2009 comparison of seven cities in Hennepin County with more than 20,000 residents, the cost of City services for a single-family, median-priced home in Bloomington ranked lowest, *see above.*

Despite Bloomington’s relatively high fiscal disparities impact, the property tax difference on equally valued commercial/industrial properties is only 1 percent of the typical overall commercial-industrial lease rates.

Bloomington’s attitude remains “steady as we go.” Decisions made during better times improve our options in more difficult times; meanwhile we continue to take advantage of every opportunity to make Bloomington an even better place to live. For more information, visit the City’s website.

WEBSITE KEYWORDS: PROPERTY TAXES.

NEW CITY ATTORNEY
ASSOCIATE CITY ATTORNEY
SANDRA JOHNSON PROMOTED

Sandra Johnson was promoted to City Attorney by City Manager



Mark Bernhardson to replace outgoing City Attorney David Ornstein. Ornstein retired in November after 36 years with the City.

Johnson has been employed with the City as an Associate City Attorney since 1991. Prior to that, she was an Assistant County Attorney with Anoka County. Johnson was raised in St. Louis Park, graduating from the University of Minnesota and the University of Minnesota Law School. She is vice president of the Minnesota Association of City Attorneys, a board member of the League of Minnesota

Cities Municipal Appellate Amicus Program, a member of the Minnesota Criminal Justice Task Force and staff to the Hennepin County Criminal Justice Coordinating Committee.

Johnson lives in Minnetonka with her husband, Coon Rapids Assistant City Attorney Douglas L. Johnson. They have two sons.

“I’m honored to be appointed as Dave Ornstein’s successor and look forward to working with my colleagues in the City Attorney’s Office and many others as we face the challenges and opportunities ahead,” Johnson said.

BRIEFING

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BLOOMINGTON CITY COUNCIL



Mayor
Gene Winstead
952-888-1258 (h)
952-563-8782 (w)
gwinstead@ci.bloomington.mn.us

Councilmember At Large
Amy Grady
952-884-6502 (h)
agrady@ci.bloomington.mn.us



Councilmember At Large
Karen Nordstrom
952-831-5221 (h)
knordstrom@ci.bloomington.mn.us

Councilmember District I
Steve Peterson
952-884-3262 (h)
speterson@ci.bloomington.mn.us



Councilmember District II
Tom Hulting
952-942-9164 (h)
thulting@ci.bloomington.mn.us

Councilmember District III
Steve Elkins
612-578-2103 (c)
selkins@ci.bloomington.mn.us



Councilmember District IV
Vern Wilcox
952-854-1425 (h)
vwilcox@ci.bloomington.mn.us

Elected officials presented for informational purposes.

COUNCILMEMBERS
council@ci.bloomington.mn.us

CITY MANAGER
Mark Bernhardson
citymanager@ci.bloomington.mn.us 952-563-8780

DIRECTORS		
Larry Lee, <i>Community Development</i>	952-563-8947	
llee@ci.bloomington.mn.us		
Diann Kirby, <i>Community Services</i>	952-563-8717	
communityservices@ci.bloomington.mn.us		
Lori Economy-Scholler, <i>Finance</i>	952-563-8791	
finance@ci.bloomington.mn.us		
Ulie Seal, <i>Fire</i>	952-881-4062	
fire@ci.bloomington.mn.us		
Kent Michaelson, <i>Human Resources</i>	952-563-4898	
kmichaelson@ci.bloomington.mn.us		
Sandra Johnson, <i>Legal</i>	952-563-4895	
legal@ci.bloomington.mn.us		
Jeffrey Potts, <i>Police</i>	952-563-8601	
police@ci.bloomington.mn.us		
Karl Keel, <i>Public Works</i>	952-563-8731	
publicworks@ci.bloomington.mn.us		
General phone number	952-563-8700	

The City of Bloomington complies with all applicable provisions of the Americans with Disabilities Act (ADA), Section 504 of the Rehabilitation Act of 1973, and does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its services, programs, or activities. Upon request, accommodation will be provided to allow individuals with disabilities to participate in all City of Bloomington services, programs, and activities. The City has designated coordinators to facilitate compliance with the Americans with Disabilities Act of 1990 (ADA), and to coordinate compliance with Section 504 of the Rehabilitation Act of 1973 as mandated by the U.S. Department of Housing and Urban Development regulations. For more information, contact the Human Services Division, City of Bloomington, 1800 West Old Shakopee Road, Bloomington, MN 55431-3027; 952-563-8733 (Voice); 952-563-8740 (TTY).

Upon request, this information can be available in Braille, large print, audio tape and/or electronic format.